

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 EUR-25 EA-11 ISO-00 AID-20 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 OMB-01 PA-04 PRS-01 USIA-15

L-03 NSC-07 SS-20 STR-08 CEA-02 DRC-01 /183 W

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R 251854Z MAR 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7803

INFO AMEMBASSY SANTIAGO

AMEMBASSY OSLO

AMEMBASSY ROME

AMEMBASSY BRUSSELS

AMEMBASSY OTTAWA

AMEMBASSY COPENHAGEN

AMEMBASSY BONN

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY MADRID

AMEMBASSY STOCKHOLM

AMEMBASSY BERN

AMEMBASSY LONDON

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E.O. 11652: N/A

TAGS: EFIN, CI

SUBJECT: CHILE DEBT RESCHEDULING

REF: PARIS 4716

1. SUMMARY. PARIS CLUB AGREEMENT RESCHEDULING CHILEAN
EXTERNAL DEBT FOR 1973/1974 PERIOD CONCLUDED MARCH 25
BASED ON FEBRUARY 23 AGREEMENT (SEE REFTEL). CLUB
CHAIRMAN GUY NEBOT SIGNED ON BEHALF CREDITOR NATIONS;
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RAUL SAEZ, GOC ECONOMIC ADVISER, SIGNED FOR CHILE.

END SUMMARY.

2. PRESS RELEASE OF MEETING READS AS FOLLOWS IN
ENGLISH TRANSLATION:

"THE REPRESENTATIVES OF THE GOVERNMENTS OF
BELGIUM, CANADA, DENMARK, FRANCE, THE FEDERAL
REPUBLIC OF GERMANY, JAPAN, THE NETHERLANDS, SPAIN,
SWEDEN, SWITZERLAND, THE UNITED KINGDOM AND THE
UNITED STATES ANNOUNCED TODAY THAT THEY HAD REACHED
AGREEMENT WITH THE GOVERNMENT OF CHILE ON AN AGREED
MINUTE CONCERNING THE REFINANCING OF ITS EXTERNAL
DEBT. CONSIDERING THE BALANCE OF PAYMENTS SITUATION
OF CHILE AND THE STANDBY AGREEMENT REACHED WITH THE
IMF, THE REPRESENTATIVES OF PARTICIPATING COUNTRIES
WILL RECOMMEND TO THEIR GOVERNMENTS THE ADOPTION
OF AN 80 PERCENT REFINANCING OF THE DEBT PAYMENTS
(PRINCIPAL AND INTEREST) OF THAT COUNTRY FALLING
DUE BETWEEN JANUARY 1, 1973 AND DECEMBER 31, 1974.

THE INTERNATIONAL MONETARY FUND PRESENTED AN
ANALYSIS OF THE ECONOMIC AND FINANCIAL SITUATION OF
CHILE.

THIS ECONOMIC AND FINANCIAL SITUATION WAS GIVEN
A DETAILED STUDY. IN THAT CONNECTION, THE CHILEAN
DELEGATION DESCRIBED THE BROAD LINES OF THE ECONOMIC
AND FINANCIAL PROGRAM OF ITS GOVERNMENT, WHICH WAS
ENVISAGED IN THE STANDBY AGREEMENT WITH THE IMF.

THE ABOVE PROVISIONS WILL ENABLE THE GOVERNMENTS
OF THE PARTICIPATING COUNTRIES TO OPENBILATERAL NEGOTIATIONS
TO PUT INTO EFFECT THE AGREED MINUTE.

THE CHILEAN REPRESENTATIVES EXPRESSED THE DESIRE
OF THEIR GOVERNMENT TO OBTAIN THE AGREEMENT OF THE
PARTICIPATING COUNTRIES TO THE OPENING OF NEGOTIA-
TIONS RELATING TO THE 1975 MATURITIES UNDER THE
CREDITS COVERED BY THE PRESENT AGREEMENT. THE
REPRESENTATIVES OF THE PARTICIPATING COUNTRIES AGREED
TO EXAMINE THE PROBLEM IN NOVEMBER 1974 AND TO DEAL
WITH IT IN THE LIGHT OF THE EVOLUTION OF THE ECONOMIC
AND FINANCIAL SITUATION OF CHILE.

THE REPRESENTATIVES OF CHILE CONFIRMED THEIR

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POLICY OF RECOGNIZING AND REPAYING ALL FOREIGN DEBTS
AND THEIR ACCEPTANCE OF THE PRINCIPLES OF PAYING JUST
COMPENSATION FOR ALL NATIONALIZATIONS IN ACCORDANCE
WITH CHILEAN LAW AND INTERNATIONAL LAW."

3. SAEZ EXPRESSED SATISFACTION OF CHILEAN DELEGATION
WITH TECHNICAL RESULTS OF MEETING AND NEBOT'S AGREE-
MENT TO CONFINE PUBLIC STATEMENT ON HUMAN RIGHTS ISSUE
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TO INFORMAL RESPONSE TO PRESS INQUIRIES WITH NO FORMAL

REFERENCE OR WRITTEN COMMUNIQUE TO BE ISSUED ON THIS SUBJECT. OPERATIVE LANGUAGE TO BE USED BY NEBOT FOLLOWS: "REPRESENTATIVES OF MEMBER COUNTRIES OF PARIS CLUB MENTIONED IN THIS RESPECT ('RIGHTS OF ALL KINDS IN CHILE') THE DESIRABILITY OF CONDITIONS THAT WOULD ENCOURAGE A CLIMATE OF INTERNATIONAL CONFIDENCE AND NOTED THAT THE QUESTION OF RIGHTS IS STUDIED BY COMPETENT INTERNATIONAL ORGANIZATIONS."

4. SAEZ INFORMED U.S. DELEGATION CHILEAN TEAM WOULD LIKE TO MEET IN WASHINGTON ABOUT APRIL 10 WITH INTERESTED USG AGENCIES TO NEGOTIATE 1973-74 BILATERAL RESCHEDULING. HE EXPRESSED DESIRE FOLLOW SAME METHOD USED FOR 1972 RESCHEDULING WITH GLOBAL SUM (AND RESULTING CASH PAYMENT) AGREED TO INITIALLY SUBJECT TO SUBSEQUENT ADJUSTMENT AS FINAL FIGURES ARE DETERMINED.
STONE

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Message Attributes

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Review Withdrawn Fields: n/a
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TAGS: EFIN, CI, XX, PARIS CLUB
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